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ABSTRACT

This digest summarizes the ERIC report concerning proprietary school education. Many proprietary schools offer no degrees and many of their courses are less than one year. They are profit oriented and market driven with decision making centralized in the ownership. The curricula are job-skills oriented and comprise programs in office, technology (auto mechanics and computers), and personal service. About 60% of proprietary school students receive a certificate or degree, compared to about 40% from a community college. Proprietary school graduates' earnings are similar to those of community college vocational program graduates, however, they are likely to report more periods of unemployment. Enforcement of state licensing and accreditation policies to ensure educational quality, protect the state's financial interests in proprietary schools, and constrain unfair business practices are recommended. Four references. (GLR)

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Proprietary Schools: Programs, Policies, and Prospects

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Proprietary schools or, as they are sometimes called, "private career schools," are not well known or understood for several reasons. First, they have developed outside the traditional education community and are often owned and operated by business people who are more comfortable in the world of commerce than the education community. Second, no data are commonly collected and reported on schools in the sector. As a result, only scattered and inconsistent reports are available on even the simplest census information. Third, academic researchers in the education field have largely ignored the sector.

How Have Private Career Schools Evolved?

Colleges in the colonial era did not teach the practical arts, such as navigation and accounting; those skills were taught by private masters, often in their homes. Business skills, including penmanship, shorthand, and bookkeeping, made up the bulk of early private career school curricula. It was not until after World War II, when the needs of increasing technology and a complex workplace began to outstrip the traditional apprenticeship program's ability to supply the needs of industry, that proprietary schools began to expand in the trade and technical fields.

Since World War II, the growth of private career schools has been closely related to changes in federal student aid policy. Starting with the Veterans Education Benefits program after World War II and continuing to today's student aid program, proprietary school students have used government student grants and loans. The watershed 1972 Amendments to the Higher Education Act provided full and equal participation with traditional higher education students. Along with that use have come concerns about the quality of the programs offered, the way they are advertised, and the ethics of school owners. Charges and countercharges about the appropriateness of private career schools' participation in federal student aid programs lie at the heart of today's increasing interest in the sector.

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What Is the Role of Proprietary Schools and Traditional Higher Education?

Private career schools differ from traditional higher education in several important ways. Many offer programs lasting less than a year and do not grant degrees, although nearly 300 private career schools, a sizable exception, offer at least an AA degree. The greatest similarity, in terms of students' characteristics and curricula, is with community colleges, which often offer vocational education programs similar to private career schools.

The differences between private career schools and traditional colleges and universities are more easily identified. At the core of the difference is the goal of realizing a profit for private owners. Proprietary schools have placed decision making in the hands of the owner, with no tradition of faculty senate or collegial decision making. Teaching positions are less permanent, because instructors have no tenure. Private career schools tend to be more sensitive to market forces than traditional colleges and, because they lack a time-consuming and limiting system of governance, can shift quickly to meet the needs of employers and the interests of students. Proprietary schools are less likely to have a board of trustees.

This argument cuts both ways. Critics cite private career schools' profit motive and lack of procedures for institutional accountability as potential causes of underinvesting in the educational program and enrolling students merely to take advantage of public student aid programs. Supporters argue that proprietary schools have become a cost-effective way to deliver education to a community of students that traditional colleges have not served well, maintaining that private career schools provide diversity and energetic competition for traditional colleges.

What Curricula Do Private Career Schools Offer?

Private career schools offer literally hundreds of programs. The majority of students enroll in office, technology, and personal service programs. The technical areas are dominated by auto mechanics and computer-related fields, but courses of study run the gamut from broadcast technology to architectural engineering.

The curricula in private career schools are more structured and oriented toward job skills than usually found in traditional colleges. All students in a program generally take the same sequence of courses, with a new class starting as quickly as every two or three weeks. Much more hands-on education is available, with less emphasis on theory than in the collegiate sector. Programs whose students are eligible for federal aid range from 300 hours to graduate degrees.

What Are the Outcomes of Private Career School Education?

Completion rates and estimates of the number who fail to finish a program of study vary depending on the measures used. The best estimate is that just over 60 percent of the students enrolling in private career schools receive a certificate or degree, compared to just over 40 percent for students in community colleges (although some community college students never intend to receive a certificate or a degree).

In the short run, earnings of proprietary school graduates are similar to graduates from community college vocational programs, but little information is available about the longer-term effects on income of attending a private career school.

Private career school students report a high degree of satisfaction with their education, but a higher proportion of previously enrolled students report dissatisfaction with their education, compared with traditional college students. They are also more likely to report periods of unemployment than students attending other types of schools.

What Policy Issues Affect Private Career School Education?

Critics contend that high student loan defaults in the sector are a result of poor programs, citing the high correlation of sudden school closings and default rates. On the other hand, private career schools enroll students with higher potential risk for default compared to traditional college students. Some analysts attribute the higher rates of default to the inherent risk of students who face higher odds of succeeding and have less experience with the subtleties of repaying a loan.

Charges that proprietary schools violate basic principles of fair advertising and mislead potential students are supported by anecdotal evidence, but no research suggests that these practices are prevalent throughout the sector.

The increasing concern about the quality of education offered by private career schools has led to considering the reform of state licensing and private accreditation requirements, but the appropriate role of these two entities in ensuring program quality is not well understood. State licensing and oversight vary widely among the states, from perfunctory to very specific. Licensing has three purposes: (1) to ensure applicants that a school meets minimum education standards, (2) to protect the state's financial interests in the school, and (3) to constrain unfair business practices.

Private accreditation was originally a voluntary activity designed to help institutions achieve and maintain educational quality; more recently, however, it has performed as a "gatekeeper." To participate in federal student aid programs, a school must be accredited by an organization recognized by the Department of Education. This dual responsibility has put new pressures on accreditation, to help improve education and to extend regulatory constraints on the operation of a school.

What Are the Implications?

As a newly visible and little understood participant in postsecondary education, private career schools pose a challenge to traditional colleges and universities in the continuing competition among schools for public funds and students. If the questions about quality and ethics can be answered, these schools can provide education to a new community of students not often served by existing colleges and universities without the doubts and criticism marking the sector today.

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